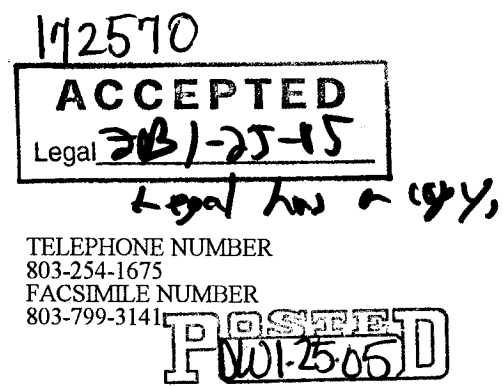


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WESTON ADAMS  
WESTON ADAMS, III  
HEIDI B. CAREY  
MATTHEW M. MCGUIRE  
KEELY M. MCCOY



January 24, 2005

Via Hand Delivery  
Public Service Commission of SC  
Attn: Docketing Department  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

RE: Application of CommPartners, LLC  
Docket No. 2004-293-C

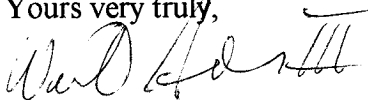
Dear Sir or Madam:

Enclose for filing please find an original and twenty-seven (27) copies of the following financial data:

1. CommPartners, LLC Statement of Operations
2. CommPartners Holding Corporation Consolidated Balance Sheets and Statements and Operations.

Please file each of the two sets of documents, and return clocked in copies of both to my courier. This information is being provided pursuant to the request of Lessie Hammonds, an attorney with the ORS.

Yours very truly,



Weston Adams, III.  
Weston Adams Law Firm

Enclosure

cc: Lessie Hammonds, Esq.  
Office of Regulatory Staff  
PO Box 11263  
Columbia, South Carolina 29211

Kris Twomey, Esq.  
2501 Ninth Street, Suite 102  
Berkely, California 94710

**CommPartners, LLC**  
**Statements of Operations**  
**For the Year Ended December 31, 2004**

	For the Year Ended 12/31/04
Revenues	\$ 61,592
Direct costs:	
Personnel	98,702
Network and infrastructure	-
Telco and access fees	915,501
Depreciation and amortization	-
Total direct costs	<u>1,014,203</u>
Sales and marketing	-
General and administrative	<u>54,635</u>
Total S, G & A costs	54,635
Operating loss	<u><u>\$ 1,007,246</u></u>

**CommPartners Holding Corporation**  
**(Successor to CommPartners HoldCo, LLC)**  
**Consolidated Balance Sheets**  
**As of December 31, 2004 and 2003**

	<u>12/31/2004</u>	<u>12/31/2003</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 9,817,233	\$ 1,050,439
Accounts receivable		
Inventory	10,920	-
Prepaid expenses	99,213	-
Deposits	53,040	3,040
Notes receivable		
Total current assets	<u>9,980,407</u>	<u>1,053,479</u>
Fixed assets		
Computers and equipment	2,948,061	735,507
Software licenses	778,236	2,105
Furniture and fixtures	12,646	-
Leasehold improvements		
accumulated depreciation	(108,517)	(1,880)
Total fixed assets	<u>3,630,424</u>	<u>735,733</u>
Total assets	<u>\$ 13,610,831</u>	<u>\$ 1,789,212</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	396,891	386,909
Notes payable ST		
Maturities of long-term debt		
Accrued Liabilities	1,228,995	38
Total current liabilities	<u>1,625,886</u>	<u>386,947</u>
Total liabilities	<u>1,625,886</u>	<u>386,947</u>
<b>EQUITY</b>		
Common stock	10,058	6,733
Additional paid-in capital - common stock	3,096,942	1,593,267
Preferred stock	11,182,876	-
Accumulated deficit	(203,030)	-
Loss for current period	(2,101,901)	(203,030)
Total equity	<u>11,984,946</u>	<u>1,396,970</u>
Total liabilities & equity	<u>\$ 13,610,831</u>	<u>\$ 1,783,917</u>

The accompanying notes are an integral part of these financial statements.

**CommPartners Holding Corporation**  
**(Successor to CommPartners HoldCo, LLC)**

**Statements of Operations**

**From the Period June 5, 2004 (date of inception) to December 31, 2003**  
**and the Year Ended December 31, 2004**

	For the Year Ended 12/31/04	From June 5, 2003 (date of inception) to 12/31/2003
<b>Revenues</b>	<b>\$ 58,300</b>	
<b>Direct costs:</b>		
Personnel	456,587	33,116
Network and infrastructure	359,815	44,182
Telco and access fees	230,310	
Depreciation and amortization	106,468	1,558
Other		
<b>Total direct costs</b>	<b>1,153,179</b>	<b>78,856</b>
<b>Gross margin</b>		
<b>Sales and marketing</b>	<b>180,983</b>	<b>3,679</b>
<b>General and administrative</b>	<b>770,242</b>	<b>120,495</b>
<b>Total S, G &amp; A costs</b>	<b>951,225</b>	<b>124,174</b>
<b>Interest expense</b>	<b>55,797</b>	
<b>Operating loss</b>	<b>\$ 2,101,901</b>	<b>\$ 203,030</b>

The accompanying notes are an integral part of these financial statements.

**CommPartners Holding Corporation**  
**(Successor to CommPartners HoldCo, LLC)**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2004 and the Period from June 5, 2003 (inception date of**  
**the Company) to December 31, 2003**

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**1. Summary of Business and Significant Accounting Policies**

*General*

The consolidated financial statements included herein have been prepared by CommPartners Holding Corporation (the "Company" or "we") without audit by an independent accountant. Certain information and disclosures normally included in accordance with generally accepted accounting principles have been condensed or omitted. However, we believe that the disclosures are adequate so that the information presented is not misleading.

*Year-end*

The Company's fiscal year end is December 31.

*Business*

We consider ourselves to be an "IP-based communications company" and began selling voice over internet protocol ("VoIP") services in October 2004. We plan to sell other services related to IP-based communications.

CommPartners HoldCo LLC was formed as a Nevada limited liability company in June 2003. In December 2004, all of the assets and business of CommPartners HoldCo LLC were merged into CommPartners Holding Corporation, which is the successor corporation. We also conduct our business through the following subsidiaries:

CommPartners, LLC - this company will hold all CLEC certifications and purchase transport facilities under our interconnection agreements.

CommPartners Network Services, LLC - this company will market, sell and bill wholesale VoIP services to broadband service providers.

*Principles of Consolidation*

The consolidated financial statements include the accounts of us and our subsidiaries. All material intercompany accounts and transactions have been eliminated.

### *Property and Equipment*

Property and equipment, which consists of computers, network equipment and furniture and fixtures, is stated at cost, less accumulated depreciation. Major improvements and renewals are capitalized, while ordinary maintenance and repairs are expensed. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years. Management reviews these assets on an ongoing basis to determine whether carrying values have been impaired.

## **2. Related Party Transactions**

The controlling stockholders of our Company and their affiliates contributed \$5.8 million which became part of the Company's initial preferred stock offering, which totaled \$10.145 million and was completed in October 2004.

In the normal course of business, we lease our primary office space from an entity affiliated with one of our controlling stockholders. Rents paid for this office space were \$90,900 and \$2,600, respectively, in the nine month period ended September 30, 2004 and the 2003 fiscal year.

In 2003, we acquired a perpetual software license to the systems that will facilitate primarily all aspects of the business. The license was acquired from a company that is owned by one of our founding stockholders, who is also an officer. We paid 232,558 shares of our common stock, valued at \$100,000, for the license and pay \$60,000 annually for system maintenance.

## **3. Subsequent Event**

The Company's placement agent is completing a private equity offering of preferred stock with a final closing date of February 15, 2005. The Company has already completed an initial closing on this offering in the amount of \$5.6 million in December 2004. The Company's placement agent is confident that it will close the second round of the Company's offering for at least an additional \$7 million and up to an additional \$9 million.